

**WEST ORANGE BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2019**

**WEST ORANGE BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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AUDITOR'S MANAGEMENT REPORT

Honorable President and
Members of the Board of Trustees
West Orange Board of Education
West Orange, New Jersey

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the West Orange Board of Education in the County of Essex as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated November 15, 2019.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of West Orange Board of Education's management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Lerch, Vinci & Higgins, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
November 15, 2019

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Scope of Audit

The audit covered the financial transactions of the Business Administrator/Board Secretary and Treasurer of School Monies, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Schedule of Insurance contained in the Statistical Section of the District's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
John Calavano	Business Administrator/ Board Secretary	\$550,000
Joseph Gregory Antonucci	Treasurer of School Monies	\$550,000

There is a Public Employees' Faithful Performance Blanket Bond with the Selective Insurance Company covering all other employees with multiple coverage of \$100,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment, as applicable, to the billings to sending districts in accordance with N.J.A.C. 6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3.

Payroll/Personnel

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls tested were approved by the Superintendent and were certified by the President of the Board, the Assistant Superintendent for Business/Board Secretary, and the Chief School Administrator.

Salary withholdings were properly remitted to the proper agencies, including health benefits withholding due to the general fund.

The District filed the required certification (E-CERT1) of compliance with requirements for income tax compensation of certain administrators with the NJ Department of Treasury by the March 15 due date.

Employee Position Control Roster

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Planning, Accounting and Reporting (Continued)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered to determine that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were received for propriety and to determine that goods were received and services were rendered, as of June 30.

Travel

The Board of Trustees has adopted a travel policy that complies with N.J.S.A. 18A:11-12.

Board Secretary's Records

The financial records, books of account and minutes maintained by the Board Secretary were in very good condition.

The prescribed contractual order system was followed.

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Acknowledgement of the Board's receipt of the Board Secretary and Treasurer's monthly financial reports was included in the minutes. The monthly certification of the availability of line item appropriations and fund balances were also approved.

The Board Secretary's and Treasurer's monthly reports were presented to the Board on a timely basis and were submitted to the Executive County Superintendent as prescribed by N.J.S.A. 18A:17-9 and 18A:17-36.

Treasurer's Records

The Treasurer did perform cash reconciliations for all accounts required.

All cash receipts were promptly deposited.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Expendable Trust Fund.

Elementary and Secondary Education Act (E.S.E.A.)/as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Title I, II, III, and IV of the Elementary and Secondary Education Act, as amended.

The audit indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

I.D.E.A. Part B

Separate accounting records were maintained for each approved project grant application approvals and acceptance of grant funds were made by Board resolution.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the CAFR.

Our audit indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Planning, Accounting and Reporting (Continued)

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted to the State by the due date.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000. The Board has designated the Business Administrator/Board Secretary as the qualified purchasing agent.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that purchases were made through the use of State contracts.

Finding – Our audit revealed that although the District is approving the use of State contracts and various cooperatives, they are not approving the specific vendors and contracts utilized under those State contract and cooperative agreements.

Recommendation – Specific vendors utilized by the District for contracts in excess of the bid threshold awarded through State contracts and other cooperative agreements be formally approved by Board resolution.

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

School Food Service

The financial transactions and statistical records of the school food services were maintained in good condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit.

The District utilized a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. Provisions of the FSMC contract were reviewed and audited. The FSMC contract included a guarantee of \$125,000 and that provision has been met. All vendor discounts, rebates and credits from vendors and/or FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenses were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expense records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenditures.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions noted.

U.S.D.A. Food Distribution Program Food and/or commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section of the CAFR entitled Enterprise Funds.

Summer Enrichment Program

The financial records of the Summer Enrichment Program were maintained in fair condition.

Student Body Activities

The Board has a policy which clearly established the regulation of student activity funds.

Finding – Our audit of student activities noted instances where the checks written from the High School account contained only one authorized check signature.

Recommendation – All checks written from the High School account contain two authorized signatures.

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Student Body Activities (Continued)

Finding – Our review of the High School Athletic account disbursements noted instances where there was no approval signature on check request forms.

Recommendation – Payment authorization request forms for the High School Athletic account contain all required proper approval signatures.

Finding – Our audit of Redwood Elementary School account disbursements found numerous instances where there was no supporting documentation for certain disbursements .

Recommendation – It is recommended that supporting documentation be obtained for all disbursements made from the Redwood Elementary School account.

Finding – Our audit of the Redwood Elementary School account revealed several instances where deposits were not made timely.

Recommendation – All deposits for the Redwood Elementary School account be made in a timely manner.

Finding – Our audit of the Gregory Elementary School account noted that disbursement request forms are not being utilized and therefore, there are no documented approvals of disbursements.

Recommendation – It is recommended that disbursement request forms be utilized for the Gregory Elementary School account.

Finding – Our audit of the Kelly Elementary School account revealed that field trip logs did not always indicate date money was received and did not specify which receipts were included in a batch deposit.

Recommendation – It is recommended that field trip logs maintained by the Kelly Elementary School account include date funds were received and also specify which receipts are included in a batch deposit, if applicable.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2018 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, bilingual and low-income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to District workpapers without exceptions. The information on the workpapers was verified without exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2018-2019 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The information on the DRTRS was verified with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Facilities and Capital Assets

Our procedures included a review of the Energy Savings Incentive Program Lease Purchase Agreement and the awarding of contracts relating to the project.

Testing for Lead of all Drinking Water in Educational Facilities

The school district adhered to all requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**WEST ORANGE BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch	Paid	286,874	122,416	122,416	-
	Reduced	39,921	16,001	16,001	-
	Free	<u>333,654</u>	<u>142,253</u>	<u>142,253</u>	-
		<u>660,449</u>	<u>280,670</u>	<u>280,670</u>	-
National School Breakfast-Regular	Paid	6,518	3,026	3,026	-
	Reduced	149	73	73	-
	Free	<u>2,090</u>	<u>995</u>	<u>995</u>	-
		<u>8,757</u>	<u>4,094</u>	<u>4,094</u>	-
National School Breakfast-Severe	Paid	53,157	22,466	22,466	-
	Reduced	12,937	5,422	5,422	-
	Free	<u>151,096</u>	<u>64,902</u>	<u>64,902</u>	-
		<u>217,190</u>	<u>92,790</u>	<u>92,790</u>	-
	<u>886,396</u>	<u>377,554</u>	<u>377,554</u>	-	

**WEST ORANGE BOARD OF EDUCATION
FOOD SERVICE FUND
NET CASH RESOURCE SCHEDULE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NET CASH RESOURCE SCHEDULE

Net cash resources did/did not exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2019

			Food Service	
<u>Net Cash Resources:</u>				
CAFR	*	Current Assets		
B-4		Cash & Cash Equiv.	\$ 362,405	
B-4		Due from Other Gov'ts	369,305	
B-4		Accounts Receivable	30,116	
B-4		Investments		
CAFR		Current Liabilities		
B-4		Less Accounts Payable		
B-4		Less Accruals		
B-4		Less Due to Other Funds		
B-4		Less Deferred Revenue	(4,715)	
		Net Cash Resources	<u>\$ 757,111</u>	(A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.		3,809,921	
B-5	Less Depreciation		(106,381)	
	Adj. Tot. Oper. Exp.		<u>\$ 3,703,540</u>	(B)

Average Monthly Operating Expense:

	B / 10		<u>\$ 370,354</u>	(C)
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Three times monthly Average:

	3 X C		<u>\$ 1,111,062</u>	(D)
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TOTAL IN BOX A			\$ 757,111	
LESS TOTAL IN BOX D			\$ 1,111,062	
NET			<u>\$ (353,951)</u>	

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

**WEST ORANGE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

	2019-2020 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Reported on Workpapers as Private Schools	Errors	Sample from Work-papers	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared						
Half Day Preschool 3 yrs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool 4 yrs	9.0	-	9.0	-	-	-	9.0	-	9.0	-	-	-	-	-	-	-	-	
Full Day Preschool 4 yrs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	438.0	-	438.0	-	-	-	66.0	-	66.0	-	-	-	-	-	-	-	-	
Grade 1	434.0	-	434.0	-	-	-	53.0	-	53.0	-	-	-	-	-	-	-	-	
Grade 2	415.0	-	415.0	-	-	-	50.0	-	50.0	-	-	-	-	-	-	-	-	
Grade 3	382.0	-	382.0	-	-	-	55.0	-	55.0	-	-	-	-	-	-	-	-	
Grade 4	446.0	-	446.0	-	-	-	86.0	-	86.0	-	-	-	-	-	-	-	-	
Grade 5	445.0	-	445.0	-	-	-	53.0	-	53.0	-	-	-	-	-	-	-	-	
Grade 6	410.0	-	410.0	-	-	-	410.0	-	410.0	-	-	-	-	-	-	-	-	
Grade 7	414.0	-	414.0	-	-	-	214.0	-	214.0	-	-	-	-	-	-	-	-	
Grade 8	430.0	-	430.0	-	-	-	196.0	-	196.0	-	-	-	-	-	-	-	-	
Grade 9	428.0	-	428.0	-	-	-	428.0	-	428.0	-	-	-	-	-	-	-	-	
Grade 10	472.0	-	472.0	-	-	-	472.0	-	472.0	-	-	-	-	-	-	-	-	
Grade 11	389.0	-	389.0	-	-	-	389.0	-	389.0	-	-	-	-	-	-	-	-	
Grade 12	418.0	-	418.0	-	-	-	418.0	-	418.0	-	-	-	-	-	-	-	-	
Adult School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	5,530.0	-	5,530.0	-	-	-	2,899.0	-	2,899.0	-	-	-	-	-	-	-	-	
Special Ed - Elementary	401.0	-	401.0	-	-	-	28.0	-	28.0	-	-	-	27.0	27.0	-	20.0	20.0	
Special Ed - Middle	254.0	-	254.0	-	-	-	91.0	-	91.0	-	-	-	23.0	23.0	-	17.0	17.0	
Special Ed - High	407.0	5.0	407.0	5.0	-	-	407.0	5.0	407.0	5.0	-	-	36.0	36.0	-	26.0	26.0	
Subtotal	1,062.0	5.0	1,062.0	5.0	-	-	526.0	5.0	526.0	5.0	-	-	86.0	86.0	-	63.0	63.0	
Totals	6,592.0	5.0	6,592.0	5.0	-	-	3,425.0	5.0	3,425.0	5.0	-	-	86.0	86.0	-	63.0	63.0	
Percentage Error					0.00%	0.00%					0.00%	0.00%			0.00%		0.00%	

**WEST ORANGE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Worpapers	Verified to Test Score and Register	Errors
	Half Day Preschool 4 yrs	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool 4 yrs	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	136	136	-	4	4	-	23	23	-	6	6	-
Grade 1	156	156	-	4	4	-	23	23	-	6	6	-
Grade 2	147	147	-	4	4	-	18	18	-	5	5	-
Grade 3	135	135	-	3	3	-	13	13	-	3	3	-
Grade 4	203	203	-	5	5	-	16	16	-	4	4	-
Grade 5	195	195	-	5	5	-	14	14	-	4	4	-
Grade 6	167	167	-	4	4	-	10	10	-	3	3	-
Grade 7	190	190	-	5	5	-	4	4	-	1	1	-
Grade 8	167	167	-	4	4	-	7	7	-	2	2	-
Grade 9	197	197	-	5	5	-	17	17	-	4	4	-
Grade 10	195	195	-	5	5	-	10	10	-	3	3	-
Grade 11	169	169	-	4	4	-	11	11	-	3	3	-
Grade 12	183	183	-	5	5	-	16	16	-	4	4	-
Subtotal	2,240	2,240	-	57	57	-	182	182	-	48	48	-
Special Ed - Elementary	194	194	-	5	5	-	13	13	-	4	4	-
Special Ed - Middle	144	144	-	4	4	-	-	-	-	-	-	-
Special Ed - High	211.5	211.5	-	5	5	-	-	-	-	-	-	-
Subtotal	550	550	-	14	14	-	13	13	-	4	4	-
Totals	2,790	2,790	-	71	71	-	195	195	-	52	52	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	2,180.0	2,180.0	-	187.0	187.0	-
Transported - Non - Public	365.0	365.0	-	32.0	32.0	-
Special Ed. - Public	532.0	532.0	-	39.0	39.0	-
Special Needs - Public	391.0	391.0	-	30.0	30.0	-
	3,468.0	3,468.0	-	288.0	288.0	-
Percentage Error			0.00%			0.00%

**WEST ORANGE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Worpapers	Verified to Application and Register	Errors
Half Day Preschool 3 yrs	-	-	-	-	-	-
Full Day Preschool 3 yrs	-	-	-	-	-	-
Half Day Preschool 4 yrs	-	-	-	-	-	-
Full Day Preschool 4 yrs	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	10.0	10.0	-	8.0	8.0	-
Grade 1	6.0	6.0	-	4.0	4.0	-
Grade 2	6.0	6.0	-	5.0	5.0	-
Grade 3	6.0	6.0	-	5.0	5.0	-
Grade 4	5.0	5.0	-	4.0	4.0	-
Grade 5	3.0	3.0	-	2.0	2.0	-
Grade 6	1.0	1.0	-	1.0	1.0	-
Grade 7	1.0	1.0	-	1.0	1.0	-
Grade 8	4.0	4.0	-	3.0	3.0	-
Grade 9	6.0	6.0	-	4.0	4.0	-
Grade 10	-	-	-	-	-	-
Grade 11	1.0	1.0	-	1.0	1.0	-
Grade 12	4.0	4.0	-	3.0	3.0	-
Adult School						
Subtotal	53.0	53.0	-	41.0	41.0	-
Special Ed - Elementary	2.0	2.0	-	1.0	1.0	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	1.0	1.0	-	1.0	1.0	-
Subtotal	3.0	3.0	-	2.0	2.0	-
Totals	56.0	56.0	-	43.0	43.0	-
Percentage Error			0.00%			0.00%

**WEST ORANGE BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SECTION 1A - Two Percent (2%) - Calculation of Excess

2018-2019 Total General Fund Expenditures per the CAFR		\$ 171,280,557
Decreased by:		
Lease Purchase Agreements	\$ 101,025	
On-Behalf TPAF Pension & Social Security	<u>22,473,548</u>	
		<u>22,574,573</u>
 Adjusted 2018-2019 General Fund Expenditures		 <u>\$ 148,705,984</u>
 2% of Adjusted 2018-2019 General Fund Expenditures		 \$ 2,974,120
Increased by:		
Allowable Adjustment *		<u>1,064,807</u>
Maximum Unassigned Fund Balance		<u>\$ 4,038,927</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2019 (Per CAFR Budgetary Comparison Schedule C-1)		\$ 5,370,553
Decreased by:		
Purchases on Order	\$ 253,520	
Other Restricted Fund Balance - Capital Reserve	569	
Restricted - Designated for Subsequent Year's Expenditures	<u>2,250,000</u>	
		<u>2,504,089</u>
Total Unassigned Fund Balance		<u>\$ 2,866,464</u>

SECTION 3

Fund Balance - Excess Surplus \$ -

*** Detail of Allowable Adjustments**

Unbudgeted Extraordinary Aid		\$ 928,628
Unbudgeted Additional Nonpublic School Transportation Aid		<u>136,179</u>
Total Adjustments		<u>\$ 1,064,807</u>

**WEST ORANGE BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

It is recommended that specific vendors utilized by the District for contracts in excess of the bid threshold awarded through State contracts and other cooperative agreements be formally approved by Board resolution.

IV. School Food Services

There are none.

V. Summer Enrichment Program

There are none.

VI. Student Body Activities

It is recommended that:

1. All checks written from the High School account contain two authorized signatures.
- * 2. Payment authorization request forms for the High School Athletic account contain all required proper approval signatures.
3. Supporting documentation be obtained for all disbursements made from the Redwood Elementary School account.
4. All deposits for the Redwood Elementary School account be made in a timely manner.
5. Disbursement request forms be utilized for the Gregory Elementary School account.
6. Field trip logs maintained by the Kelly Elementary School account include date funds were received and also specify which receipts are included in a batch deposit, if applicable.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X. Miscellaneous

There are none.

XI. Status of Prior Years' Audit Findings/Recommendations

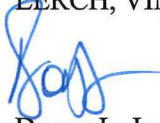
A review was performed on all prior years' recommendations and corrective action was taken on all, except the item denoted with an asterisk (*).

ACKNOWLEDGEMENT

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Donna L. Japhet
Certified Public Accountant
Public School Accountant